Destroy.

G. R. S. IX-5]

Previous references.

File No. 44-18

1918-19

Serial Nos. 1-4

(Genl)

Later references.
Genl 41-19 (1-5).

Preserved

27

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-4

Part B for January 19

SUBJECT.

Warrants of royalty due from Mr Balfour Genl & Mining Co.

G 12990 dy 2-1-19.

To Messrs John Taylor & Co.
Petn. dated 15 Genl and requ
the usual royalty be waived
[illegible]

W D 88—GPB—50,000—24-7-16

G. R. S. III-1]

1918-19

GENERAL AND REVENUE SECRETARIAT

(Geol)

NOTES.

File No. 44-18.

FILE HEADING.

Warranty of Mydty due from Kolar Gold Mining Co.

From

No.	Dated	Received

Diary No.]	Enclos.	Spare Copies.	[Serial No.

BRIEF ABSTRACT OF LETTERS.

NOTES AND ORDERS.

NOTES—First Sheet.

D. O. No. 6007

23rd September 1918.

Messrs. John Taylor & Sons,

L o n d o n.

Dear Sirs,

I write to acknowledge the receipt of your letter dated the 7th August 1918 making a representation on behalf of the Balaghaut Gold Mining Company. The matter will receive consideration and the decision of His Highness' Government will be intimated to you in due course.

I would suggest that all further communications on this subject may kindly be addressed to the Chief Secretary to the Government of His Highness the Maharaja of Mysore instead of personally to me.

Yours sincerely,

(Signed) M. Visvesvaraya.

Copy with the letter, in original is forwarded to the Chief Secretary for favour of working up the case and submitting definite recommendations through the Extra Member.

23.9.18

5486 (5

G. R. S. III-2]

General and Revenue Secretariat. | G.C. File No. of 191

Serial No.

Available copies of annual reports of the company are submitted herewith.

Royalties paid by the company is shown below

		£ s d
For the year ending	31-12-15.	3437 - 13 - 9
do	31-12-16	3767 - 9 - 10.
do	31-12-17	4106 - 1 - 8

Please get a copy of the lease from the Secretariat.

AHS. 28-9-18 Ag

A copy of the lease was obtained from the Financial Secretariat & is submitted herewith

AHS. 30-9-18. Ag 10 Sub[d] for perusal.

The Director of Mines will be consulted when the file ~~has been~~ returned after perusal

Mw. 30/9/18

(Chief Secy)

Extra members.

1135-78. 6.10.18

(11) The Director of M & G & the Fin. Secy should be consulted & the papers put up with the least possible delay.

Secy 7.10.18 EOM 5/10/18

(12) Draft & Dir. of M & G. submitted

Ag 7.10.18.

(13) [illegible]

NOTE—Contn. sheet.

W1) A 1789—GPB—60,000—20-8-13—S.

5280
20-48

G. R. S. III-2]

General and Revenue Secretariat. | Geol File No. 44 of 1918.

Serial No.	
(2)	To The offg Director, Dept of Geology camp d. 8-10-18 calls for his opinion re the representation made by the company.
	From
(3)	The offg Director, Dept of Geology letter no 1059 d 29-10-1918 Submits his opinion called for in the above
(14)	Submitted with reference to paragraph 11 (above). The Financial Secty has to be consulted
	15-11-18 (15) May be kindly marked to the Financial Secretariat 15/11
	Chief Secy (16) I concur in the views expressed by the offg Director that no strong case has been made out for any waiver of royalty as asked for. I do not think it desirable to postpone recovery of royalty as such postponements tend to lead to remissions.
	Fl Secty 17 Fl Secy) Vide also Fly A.

5 Spm
Fly 1018-18

18 I quite agree with Ch. Secy 29/11/18

19 To Chief Secy 1530 18/11 with compliments 1829/14

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-8-15—S.

G. R. S. III-2]

5486

General and Revenue Secretariat. | Geol File No. 44 of 1918

Serial No.

(1) Submd for orders

— UG 30/12/18

Dno 30/12/18

(2) Chief Secy)

22 Please put up a draft letter expressing regret that Govt do not see their way to waive the royalty & submit to Member

Dno 8/12/18

23 Branch Offr Dno 9/12

24 Submitted with a draft for appr.

18 UG 12-12-18

Dno 17/12/18

2434-84 17-12-18

Second Member)

25 Draft approved

Geol 20.12.18

3406 21.12.18

26) Dewan)

27 Key issued

Dno 21/12

UG 13.1

Dno 27/12

P.T.O

NOTE—Contn. sheet.

WD A 1799—GPB—60,000—30-3-18—S.

WD 1233—GPB—60,000—1-12-16—S. 6

G. R. S. III-2

General and Revenue Secretariat.

Geol File No. 44 of 1918-19.

Serial No.	
4	To Messrs John Taylor & Sons Managers of Balghat Mining Co 6 Queen Staffplace London E.C. 4 G. 12998 of 2:1.19 States that the Govt: do not see their way to waive the royalty as asked for in N.1 G. 12999 of 2.1.18. Forwards a copy of N.4 to the Director Deptt: of Mines & Geol.

NOTE—Contn. sheet.

D. O. No. 7 5625

5486

6, Queen Street Place,
London, E.C.4,
7th August, 1918.

From

Messrs. JOHN TAYLOR & SONS,
Managers of
THE BALAGHÂT GOLD MINING COMPANY, LIMITED,

To

SIR M. VISVESVARAYA, K.C.I.E.,
DEWAN OF MYSORE.

Sir,

We have the honour to submit for the consideration of the Mysore Government the following representation on behalf of The Balaghât Gold Mining Company, Limited.

The history of this Mine, one of the oldest on the Kolar Gold Field, is a succession of favourable developments alternating with disappointments occasioned by the intermittent character of the gold occurrence. In consequence, during the past ten years, it has not been possible, even with the closest regard to economy, to do more than maintain a precarious existence.

A condition of affairs has now been reached, with the greatly inflated prices for all materials, and a rising exchange, when it is a serious question whether, with the resources available, it will be practicable to continue working the Mine.

It is clear that if anything in the nature of a revival hereafter is to be secured, additional funds for exploratory purposes and equipment

for greater depths must be provided. Had it not been for the War, those directly interested in the Mine would doubtless have provided additional Capital for these purposes, but under the existing Government restrictions, it is impossible to look for any alleviation of the position by this means. The only other alternative is to diminish expenditure in the direction which will not militate against the successful exploration work, whereby alone we hope to emerge from our present difficulties.

To enable the Mysore Government to deal with this application on its merits, we will endeavour to render our attitude perfectly clear, and would say at the outset that we should not have felt justified in appealing to you, merely from the standpoint of Shareholders' advantage. Nineteen years ago we addressed your Government asking them to waive the claim for Royalty then in arrear; that request was not entertained, but the problem with which we are now confronted is of an entirely different complexion. The issue before us for early determination is of a far graver character, as it may even necessitate the closing down of the Mine.

Naturally the idea has suggested itself of a temporary cessation of active work on the property until normal conditions again prevail. Unfortunately, an indefinite stoppage, involving the flooding of the Mine, could, we fear, only mean total abandonment, for the reason that reopening would entail a large amount of costly and unproductive work —the prospect of which would no doubt defeat any appeal for fresh funds.

The Company enjoyed considerable prosperity during the years 1901 to 1907 inclusive. The last Dividend paid was from profits earned in the latter year, so that it is more than ten years since a distribution has been made to the Shareholders.

The work of the following six years failed to reveal any substantial quantity of payable ore, but in 1914, after a large expenditure on development, there was an improvement in the grade of the ore at a depth of 3,175 feet level South of Ogle's Shaft. Since that time encouraging

results have been obtained down to the 3,675-feet level, but the position to-day is that before any ore from these deepest sections can be made available for economic stoping, further development work must be undertaken, which the financial condition of the Company unfortunately does not permit.

Upon its present scale the Company is losing about £500 per month, the principal factors contributing to this result being the rise in exchange and the abnormal increase in the cost of all mining requisites. The Capital of the Company is practically exhausted, so that it will not be possible to continue operations unless substantial relief can be obtained. A further increase in the output of Gold cannot be made; indeed, having regard to the lessening reserves of ore, the present scale of production should not, in the permanent interest of the Mine, be maintained.

For the reasons above stated, and in view of the present disturbed conditions, we would respectfully ask your Government whether in these exceptional circumstances they could see their way to waive their claim for Royalty for a period, which might in the first instance extend for one year, and thereafter be the subject of reconsideration according as circumstances develop.

Your Government is aware that we have on other occasions expressed, and we desire here to renew, our acknowledgments of the sympathy and generous co-operation which have consistently been extended to the Gold Mining enterprise in Mysore; and we may add that these sentiments would deter us from putting forward any appeal which did not, in our judgment, rest upon a substantial foundation.

We have not overlooked the possible objection to your creating a precedent in temporarily waiving the claim to Royalty; we respectfully submit that in the present instance such an argument does not hold, as there is no analogy between the circumstances of Balaghât and those of any other Mine of the Kolar Field; whilst it would be perfectly reasonable to lay down that any indulgence now sanctioned by your

Government, as the result of this representation, must be regarded as of an entirely special character and granted to a Company in difficulties, the solution of which is to a considerable extent retarded by a world-wide war.

We have only decided to address you after the most careful deliberation, and we have been impelled to take this course in the belief that the interests of the Mysore Government are concerned in the attempts now being made to prolong the life of the Balaghât Mine.

May we suggest, in conclusion, as matters are very urgent, that you will be kind enough to communicate your decision to us by cablegram, as whatever is to be done must be undertaken at the earliest possible date.

We have the honour to be,

SIR,

Your most obedient Servants,

John Taylor & Sons

18

G. R. S. Vl—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT
(Gol)
, *the* 191 .

Date of issue 8-10-18

Signed by Mr N. Jagaranaga

Section Gol
File No. 44-18
Serial No. 2

Camp No. D 8-10-18
Gol Enclosure one a

To
The Off Director
Dept of Geol

Sir,

In forwarding herewith a letter (in original - to be obligingly returned alone with the reply) dated the 7th August 1918 from Messrs John Taylor and Sons, Managers of the Balaghat Gold Mining Co Ltd, requesting for reasons stated that in view of the present disturbed

over.

claim for
conditions whether the Royalty
could be temporarily waived
I am directed to request the
favour of your opinion in
the matter at a very early
date

I have &c

for Chief Secy

7-10-16

List of enclosures.

Copied by

Examined by

W D86—G P15—60,000—15-11-16

WD 0108—GPB—200—8-10-18

13

D.M.G. 13]

No. 1059
Ends. Five

BANGALORE, 29th October 1918.

1048

FROM

B. JAYARAM, Esq., F.G.S.,
Offg. Director, Department of Geology,
Mysore State.

13523

To

C.S. Balasundaram Iyer, Esquire, B.A.,
Chief Secretary to the Government of His Highness
the Maharaja of Mysore.

SIR,

In reply to your letter No.C.D., dated 8th October 1918, regarding the appeal submitted by Messrs. John Taylor & Sons, Ld.,London. Managers of the Balaghat Gold Mining Company, Ld., for the waiver by Government of their claim for royalty due under the terms of the mining leases held by that Company, I have the honour to state that I have given my best and anxious comsideration to the several representations made by Messrs. John Taylor & Sons in their letter, dated 7th August 1918.

2. The career of the Company has, from its inception, been of a somewhat chequered nature. I enclose herein (1) statement A showing the output and value of gold produced, the royalty paid to Government, the expenditure incurred during each of the years from and the profit or loss accrued, the commencement of operations up to 1917, and (2) statement B showing the Dividends paid by the Company up to date. It will be seen from these statements that the Company had a very prosperous time from 1900 to 1906, during which period there was a steady increase of output each year. The Company entered the list of dividends paying Companies in 1909 and continued in it till the end

of

14

of 1907. But in the year 1907 the developments underground proved anything but satisfactory and the tonnage crushed in the mill has had to be reduced and the returns have consequently suffered since then. The Exploratory operations which were however continued resulted in the discovery in the year 1914 of payable ore in certain Sections of the mine and there has been an improvement of the prospects of the mine, some rich quartz being exposed in places (Vide enclosed extract from the Annual Report of the Company for the year ending 31st December 1917). The output of the mine has increased from 17403 ozs. in 1914 to ~~19629~~ 21,922 ozs. in 1917 and the future outlook is reported to be re-assuring.

3. Although the Company has not been able to pay any dividends during the past 10 years, it has, in spite of the increased prices of materials etc., owing to the war, been making small annual profits of from £ 1,261 to £ 5,063 even after the payment of the royalty due to Government, except in the years 1910 and 1914, when they had a loss of £ 277 and £ 1,560 respectively. The abnormal increase of expenditure noticeable was only in the year 1917 and it amounted to nearly £ 6,000, or £ 500 per month, as stated by Messrs John Taylor and Sons. The increase is likely to continue until normal conditions are restored.

4. ~~The~~ For further exploratory work and equipment for greater depths additional funds are also required and the Company apprehend that it may not be possible to continue operations "unless substantial relief can be obtained". But it appears to me that the waiver by Government of the claim for the royalty due on the output of gold would afford but <u>little</u> relief to the Company. The expenditure to be incurred, even at the figures furnished for the last year, would amount to nearly as large ~~as~~ a sum as £ 75,000, while ~~per-cent~~ the royalty payable to Government would be about £ 5,000 or 6.5 per cent of the expenditure. If the Company is in a position to provide as much as the remaining 93.5 per cent of the expenditure or £ 70,000, it is rather hard to imagine that the provision of the

8

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relatively

relatively small sum of £ 5000 would be attended with any special difficulties. The total amount of royalty paid to Government by the Company from its inception up to 1917 is £ 91614, while the total amount of profits derived up to date is £ ~~335,970~~ 349,483 and the total amount of ~~divends~~ dividends paid £ 227,800. The royalty paid to Government thus represents only 26 per cent of the profits, derived or 40 per cent of the dividends paid.

5. The present appeal coming as it does from a body like Messrs. John Taylor and Sons cannot but be admitted as being "well-founded" and "bona fide" in its character. The mines are being worked at greater depths, the cost of the extraction of the ore is therefore admittedly heavy, additional funds have to be provided for further exploratory work and equipment for greater depths and the abnormally high cost of the mining requisites has also increased the expenditure of the Company.

6. I am in entire sympathy with Messrs. John Taylor & Sons in all their representations in respect of these matters and in their attempts to prolong the life of the Balaghat Mine and especially also in their not countenancing the idea of temporarily stopping all work, but I regret that under the circumstances mentioned in paras 3 & 4 above I do not feel impressed that the case warrants the waiver by Government of their claim for the royalty due on the gold obtained or that such waiver would afford the Company any ~~special~~ appreciable relief, considering that the royalty payable represents only about 6.5 per cent of the expenditure according to the figures furnished for the year 1917. In view, however, of the fact that the Company has at present little capital at its disposal and that additional funds are required for further exploration and development work, I beg to recommend that the claim for the royalty due to Government may be held in abeyance for a period of one or two years on the definite understanding that the same should be paid in not more than two ~~years~~ equal annual instalments commencing from the second or third year following that for which it

is

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is due. If however the Government are disposed to treat the Company with a special indulgence and in a more liberal way, the claim for the royalty may be altogether waived for a period of one year in the first instance, as requested by Messrs. John Taylor & Sons, though such a concession however magnanimous cannot be justifiable in the interests of the State.

7. With regard to the observation made by Messrs. John Taylor & Sons that the concession asked for by them would not create a precedent and that it should be regarded as one granted under special circumstances to a Company in difficulties, I do not feel quite convinced with the soundness or accuracy of this observation, as it seems to me but natural and reasonable that once such a special concession is conceded to one Company under such straitened corcumstance, there will follow appeals of a like or similar character; besides waiving all claims to a small 5 per cent royalty on such large outputs of gold as are of the value of £ 100,000 would be unfair and detrimental to the State.

8. With regard to a similar request stated to have been made by Messrs. John Taylor & Sons nineteen years ago, the accompanying file of papers shows that the grounds upon which the request for the remission of royalty was then made were that, although a large quantity of gold had been extracted and large sums of royalty paid to Government, the Company had not till then paid any dividends to the Shareholders who provided the working capital, that the outbreak of plague at that time and other causes considerably hindered the development of the mines and that additional capital was required for the larger extraction of gold they had expected. It is now represented by Messrs. John Taylor & Sons that the present position of the Company is of a different complexion and that the issue before them for determination is of a far graver charatter. The increased expenditure to be incurred owing to the greater depths at which work is now being carried on and the present abnormal rise of the cost of mining requisites, is the only feature

(to be kindly returned when done with)

A

307

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feature which marks the difference between the present position of the Company and that of nineteen years ago. But the fact cannot be overlooked that since the request was made 19 years ago the Company has had very prosperous years from 1900 to 1907 and has during this period paid a total dividend of £ 227,800 and that even at the present day it has been making small profits after incurring the increased expenditure and after payment of the royalty due to the Government. The gravity of the present situation appears to lie however in the need for additional funds for further exploration and development work and it is stated that the Company requires " substantial relief". That the waiver of the claim for royalty cannot afford the Company any appreciable relief has already been pointed out in para 6 above and I do not see any strong grounds in the present case or similar cases which would justify the waiver of the claim of Government for the royalty due on the gold obtained.

9. The letter from Messrs. John Taylor & Sons, received with your letter under reply is herewith returned.

I have the honour to be,

Sir,

Your most obedient servant,

B. Taylor Dam.

Offg.Director,

Department of Geology.

C.N.

Statement A.

The Balaghat Gold mining Co. Limited.

Statement of Output of Gold and other particulars relating to the working of the mines.

year.	Out-put. ozs.	Value £	Royalty. £	Expenditure £	Profit. £	Loss £
1890 to						
1896 inclusive	31,879	122,249	6112	Information not available		7286
1897	217	788	35	10,232	-	10,089
1898	414	1,572	78	13,371	-	6522
1899	7,555	29,122	1456	35,943	3,407	
1900	15,509	60,076	2988	45,601	1,573	
1901	20,716	80,085	3966	53,522	1,084	
1902	26,397	102,021	5064	65,988	9,685	
1903	27,181	104,839	5182	71,925	5,743	
1904	31,706	122,666	6080	72,664	4,912	
1905	42,470	164,204	8131	83,049	78,174	
1906	46,432	178,899	8874	92,615	6,289	
1907	34,574	132,673	6559	100,755	6,934	
1908	27,977	107,250	5324	96,027	1,261	
1909	21,203	81,028	4000	76,497	-	277
1910	17,328	66,113	3260			

1911	17,027	65,048	3220 ✓	61,300 ✓	1,239 ✓	
1912	17,409	66,412	3295 ✓	61,486	2,505 ✓	
1913	17,495	67,103	3319 ✓	62,732 ✓	2,348 ✓	
1914	17,403	66,626	3265 ✓	65,782	—	1560 ✓
1915	17,778	67,984 ✓	3503 ✓	63,996	1,229 ✓	
1916	19,723	75,177 ✓	3767 ✓	69,516 ✓	2,937 ✓	
1917	~~21,922~~ ~~19,629~~	84,437 ✓	4106 ✓	75,903	5,063 ✓	
Total	480,315	1,832,527	91,614		349,483	25,734

B. Lamb Laney
28th Oct. 1918.

B. Jaya Ram
Offg. Director,
Dept. of Geology
28.10.18.

Statement B.

The Ballaarat Gold mining [illegible] pany, Limited.

Statement of Dividen[illegible] paid

No of Dividend.	Date paid	Shares	Class of Share	called up per share	Dividend per share.	Amount £	s	d	year	Rate per cent	Amount for year £	s	d
1.	1 Dec. 1900	63,312	Pref-	£ 1 1-	1/-	3,393	12	4	190	10% pref	7,363	13	8
		32-000	pref	£-10/-									
2	29 Mar 1901	63,312	do	" 15/-	1/-	3970	1	4					
		32,000											
3	9 Aug 1901	95,312	pref	£1	2/-	9291	17	11		15% pref.	22,069	1	11
4	13 Mar 1902	95,312	pref	£1	1/-	12777	4	0	19	5% ord.			
		160,232	ord	£1	1/-								
5	29 July 1902	95,312	Pref	£1	2/-	9531	4	0		15% Pref	22923	16	9
6	31 Mar 1903	95,312	Pref	£1	1/-					5% ord			
		160,232	ord	£1	1/-	13392	12	9	19				
		49,235	ord	5%	3d								
7	29 July 1903	95,312	Pref	£1	2/-	9531	4	0		15% Pref	23539	5	6
8	30 Mar 1904	95,312	Pref	£1	1/-					5% ord.			
		160,232	ord	£1	1/-	14008	1	6	190				
		49,235	ord	£10/-	6d								

9	24 July 1904	95,312	Pref	£1	1/-	9531	4	0							
10	30 mar. 1905	95,312	Pref	£1	1/6										
		160,232	ord	£1	1/6	21935	5	5	1905	17½ Pf.	31466	9	5		
		49,235	ord.	15/-	1/1½					7½ ord					
11	20 July 1905	95,312	Pref	£1	2/-	9531	4	0							
12	3 Nov 1905	304,779	Pref & ord.	£1	6d	7619	9	6		25% Pf.					
13	30 Mar. 1906	304,779	Pref & ord.	£1	1/-	15238	19	0	1905	15% ord	55248	1	0		
14	25 July 1906	95,312	Pref	£1	2/-	9531	4	0							
*		304,748	Pref & ord.	£1	6d	7618	14	0		25% Pf.					
15	9 Nov. 1906	308,000	Pref & ord	£1	1/3	19250	0	0	1906	15% ord.	55649	18	0		
16	28 Mar. 1907	308,000	Pref & ord.	£1	1/3	19250	0	0		15% Pref					
17	28 Mar 1908	95,400	Pref	£1	2/-	9540	0	0	1907	10% Pf.	9540	0	0		
										£	227,800	6	3		

Bangalore
28th Oct. 1918

B. Jayaram.
Offg. Director,
Dept. of Ecology.

Extract from the Annual Report of the Balaghat Gold Mining Company,Ld.,for the ending 31st December 1917.

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* * * * * *

In the 2,600 feet level South for a length of 312 feet, the lode was narrow and of low value, for the next 90 feet it averaged 17 inches in width assaying 18 dwts, per ton, whilst for the last 33 feet, it was 40 inches wide assaying 1 oz. 12 dwts. of Gold per ton.

The Main Winze from this level was sunk a further 343 feet, to a depth of 169 feet below the 3,425 feet level. For the first 65 feet the quartz was 6 inches wide assaying 16 dwts. per ton, and in the last 62 feet, for the same average width of quartz, the assay was 2 ozs. 11 dwts of Gold per ton.

The 3,675 feet Level (the deepest in the Mines) has been driven South from the Winze below the 3,550 feet Level, and for the last 104 feet the lode was 2 feet 8 inches wide of an assay value of 2 ozs. 10 dwts. of Gold per ton. This is a good development and one that holds out promise for the future.

* * * * * *

The following paragraphs are taken from the Superintendent's Report for the year ending the 31st December 1917, Viz.:-

"The results obtained on the 'Main Lode' have been "disappointing, for the quartz so far driven on below the " 1,450 feet level, in marked contrast to that exposed in the "upper levels, was of low value.

"On the other hand, work on the Balaghat Lode was "attended by a measure of success which is gratifying.

"The 3,425 feet level, driving towards the South

Pool

"Boundary, carried quartz of fair size and value continuously
" for a greater length than has been experienced for several
"years past.

"In the Drive South, at the 3,675 feet level, the
"deepest in the Mine, a quartz shoot of good width and high
"assay value was met with and driven on for 144 feet, and at
"the time of writing these conditions still obtain.

"Although the quartz shoots at the 3,425 and 3,675
"feet levels, of which mention has been made, were encountered
"too late in the year for sufficient work to be done to enable
"additions to be made from them to the Ore Reserve, taking
"into consideration their characteristics and situation when
"reviewing the year's work, I have no reason to modify the
"view expressed in ~~the~~ my last Report that the outlook for the
"future is reassuring".

B. Taylor Penn.
Offg. Director,
Department of Geology.
28/10/18

22

G[illegible] S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT,
( )
, *the* 191 .

Date of issue 2.1.19.

Signed by [illegible]

Section Geol
File No. 44-8
Serial No. 4

No. G 12998

To Messrs John Taylor & Sons
Managers of
the Balaghat Gold Mining Co Ltd
6, Queen Street Place
London E.C. 4.

Gentlemen,

With reference to your letter dated 7th August 1918 to the address of the Dewan (Sir M. Visvesvaraya Kcsi) of Mysore making a representation on behalf of the Balaghat Gold mining Co that the claim of govt for the royalty due from the company may be waived for some time, I am directed to state that govt regret that they do not see their way to waive the royalty as asked for.

I have etc

for Secretary to Govt.

Rec'd 20.12.18.

Recd for Govt. Press only 20.12.18

17/12. Offg Secretary to Govt. P.T.O.

13/12/18

Memo. 712999 (file)

A copy of the above is forwarded, with compliments, to the Director, Dept of Mines & Geology with reference to his office letter no. 1059 of 29-10-08. The papers received with the letter also returned herewith.

Copy only

for Chief Secy to Govt.
17/12

12/12/08

List of enclosure

Copied by

Examined by

WD 86—GPB—60,000—15-11 16

1530

W.S.

Duplicate Chief Secretary's in continuation (

4.10.18

D.O. 4/9/18

Mr. Bell. Please see 4/9/1918

DEWA
Date of R... 5.10.18.
Petn. Regr. ... 11372

6, QUEEN STREET PLACE,

LONDON, E.C.4,

7th August, 1918.

From

MESSRS. JOHN TAYLOR & SONS,

Managers of

THE BALAGHÂT GOLD MINING COMPANY, LIMITED,

To

SIR M. VISVESVARAYA, K.C.I.E.,

DEWAN OF MYSORE.

SIR,

We have the honour to submit for the consideration of the Mysore Government the following representation on behalf of The Balaghât Gold Mining Company, Limited.

The history of this Mine, one of the oldest on the Kolar Gold Field, is a succession of favourable developments alternating with disappointments occasioned by the intermittent character of the gold occurrence. In consequence, during the past ten years, it has not been possible, even with the closest regard to economy, to do more than maintain a precarious existence.

A condition of affairs has now been reached, with the greatly inflated prices for all materials, and a rising exchange, when it is a serious question whether, with the resources available, it will be practicable to continue working the Mine.

It is clear that if anything in the nature of a revival hereafter is to be secured, additional funds for exploratory purposes and equipment

for greater depths must be provided. Had it not been for the War, those directly interested in the Mine would doubtless have provided additional Capital for these purposes, but under the existing Government restrictions, it is impossible to look for any alleviation of the position by this means. The only other alternative is to diminish expenditure in the direction which will not militate against the successful exploration work, whereby alone we hope to emerge from our present difficulties.

To enable the Mysore Government to deal with this application on its merits, we will endeavour to render our attitude perfectly clear, and would say at the outset that we should not have felt justified in appealing to you, merely from the standpoint of Shareholders' advantage. Nineteen years ago we addressed your Government asking them to waive the claim for Royalty then in arrear; that request was not entertained, but the problem with which we are now confronted is of an entirely different complexion. The issue before us for early determination is of a far graver character, as it may even necessitate the closing down of the Mine.

Naturally the idea has suggested itself of a temporary cessation of active work on the property until normal conditions again prevail. Unfortunately, an indefinite stoppage, involving the flooding of the Mine, could, we fear, only mean total abandonment, for the reason that reopening would entail a large amount of costly and unproductive work —the prospect of which would no doubt defeat any appeal for fresh funds.

The Company enjoyed considerable prosperity during the years 1901 to 1907 inclusive. The last Dividend paid was from profits earned in the latter year, so that it is more than ten years since a distribution has been made to the Shareholders.

The work of the following six years failed to reveal any substantial quantity of payable ore, but in 1914, after a large expenditure on development, there was an improvement in the grade of the ore at a depth of 3,175 feet level South of Ogle's Shaft. Since that time encouraging

results have been obtained down to the 3,675-feet level, but the position to-day is that before any ore from these deepest sections can be made available for economic stoping, further development work must be undertaken, which the financial condition of the Company unfortunately does not permit.

Upon its present scale the Company is losing about £500 per month, the principal factors contributing to this result being the rise in exchange and the abnormal increase in the cost of all mining requisites. The Capital of the Company is practically exhausted, so that it will not be possible to continue operations unless substantial relief can be obtained. A further increase in the output of Gold cannot be made; indeed, having regard to the lessening reserves of ore, the present scale of production should not, in the permanent interest of the Mine, be maintained.

For the reasons above stated, and in view of the present disturbed conditions, we would respectfully ask your Government whether in these exceptional circumstances they could see their way to waive their claim for Royalty for a period, which might in the first instance extend for one year, and thereafter be the subject of reconsideration according as circumstances develop.

Your Government is aware that we have on other occasions expressed, and we desire here to renew, our acknowledgments of the sympathy and generous co-operation which have consistently been extended to the Gold Mining enterprise in Mysore; and we may add that these sentiments would deter us from putting forward any appeal which did not, in our judgment, rest upon a substantial foundation.

We have not overlooked the possible objection to your creating a precedent in temporarily waiving the claim to Royalty; we respectfully submit that in the present instance such an argument does not hold, as there is no analogy between the circumstances of Balaghât and those of any other Mine of the Kolar Field; whilst it would be perfectly reasonable to lay down that any indulgence now sanctioned by your

Government, as the result of this representation, must be regarded as of an entirely special character and granted to a Company in difficulties, the solution of which is to a considerable extent retarded by a world-wide war.

We have only decided to address you after the most careful deliberation, and we have been impelled to take this course in the belief that the interests of the Mysore Government are concerned in the attempts now being made to prolong the life of the Balaghât Mine.

May we suggest, in conclusion, as matters are very urgent, that you will be kind enough to communicate your decision to us by cablegram, as whatever is to be done must be undertaken at the earliest possible date.

We have the honour to be,

SIR,

Your most obedient Servants,

John Taylor & Sons